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# INTERNATIONAL SOCIAL INNOVATION COMPETITION

**Project title or name of the social enterprise:** StrateDo

Keywords (max. 5) describing  
your social business idea:

Online marketing

Fair competition

Digital divide

Equality of opportunities

Small and Medium Businesses

**Name of the  
team representative:**

Manuel Gros

**Team members:**

Manuel Gros

Denise Camou

Justin Graside

**Represented country:**

Spain



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## EXECUTIVE SUMMARY OF PROJECT

<STRATEDO>

### Context

StrateDo emerged in a context of strong inequality. Latin America is the second region with most inequality in the planet, only below an area devastated by violence and scarcity of food like Sub-Saharan Africa. In Latin America small and medium business represent 99% of all enterprises and generates employment for 70% of the total workforce. A recent research held by the World Trade Organization and the United Nations revealed that one of the main reasons why SMBs show a poor performance is because they make a misuse of the Internet, mainly in poor countries. SMBs have productivity that, on average, represent a third of large enterprises and offer wages that also are on average 50% lower. Despite SMBs generate the 70% of jobs, quantity is very different than quality. In general, this small companies generate employment for a disproportionate number of women and youngsters and pay much less than their big competitors. In that context, an improvement in SMB's productivity may be considered a path to economic development.

### How was StrateDo originated? Which is the problem that tries to solve?

After working several years in the digital marketing industry, Manuel Gros and Justin Graside left their jobs in online marketing agencies to found their own online marketing and internet businesses company, called Arriba Media.

Arriba Media started working at good pace, and after some months it became a profitable company. After some months of hard work, the team started making some observation about clients, leads and prospects behavior. A lot SMBs came to Arriba Media in order to work together, but their budgets were very limited. For Arriba Media it was not profitable to work with this small companies, as profits were not proportional to the time that should be devoted to these small customers. After confirming this hypothesis with other industry colleagues, we concluded that there was a real problem for small businesses.

So, what is this problem? The second digital divide between big corporations and SMBs. The digital divide is defined as the separation between people and organizations using Information Technology and Communication (ICT) as a routine part of their daily life and those who do not have access to them or do not know how to use them. This concept can be divided into first digital divide (access) and second digital divide (use and appropriation).

In the last years the digital divide between enterprises has not only not reduced, but it is becoming increasingly larger. The digital ecosystem is constantly evolving and new social networks, advertising formats and marketing tools arise every day. These changes are properly appropriated by those who have access to professional advice, such as the one offered by agencies, while small companies are left behind by not having the budget needed to access this kind of services.

The digital divide has been the cause of these inequalities that prevent fair competition from equal opportunities. Technology itself creates this kind of gaps and companies that make good use of it may have better growth opportunities. This is a vicious circle where the one that has less, has fewer



opportunities to succeed and therefore moves away more and more of those who have access to quality information.

Currently, social networks and other Internet advertising formats have completely reinvented the advertising paradigm, as production and space costs turned considerably lower. A small business can make a significant difference if it properly performs actions on the Internet, but for doing that, it needs to appropriate the media through quality counselling that allows them to get the most profits as possible.

### **What is StrateDo?**

StrateDo is a collaborative project that empowers SMBs with digital marketing tools, materialized in a free software that, from an input of information made by the user, generates a customized online marketing strategy, divided into clearly explained tasks and steps, so anyone, even with zero experience, can implement it successfully without the counselling of an expert in the area.

The user logs in the platform and completes a simple form with relevant info about its company. Then, StrateDo's algorithm will process the information and will generate an online marketing strategy that perfectly fits the user's needs and possibilities.

The strategy will be presented as linked tasks, starting from the most simple to the most complex and technical. Each task will include all the necessary info (texts, screenshots, videos) so the users can implement it by themselves. The implementation of the strategy follows an incremental order, so users can see their progress and be motivated to continue managing their online marketing strategy.

The specific segment that aims StrateDo are directors or managers of companies with fewer than nine employees, operating in Spanish speaking countries. This segment is composed of approximately 13,000,000 SMBs. These directors or managers of SMEs will be StrateDo's user, and will benefit from the knowledge and tools to grow your business through Internet.

### **Impact**

- StrateDo empowers its users through knowledge and learning, as it is not a service in which the user is mere receptor but an active part, involving the user and generating cumulative learning on the user.
- StrateDo aims to level the playing field against large corporations in the only area where it's possible, digital marketing, because in traditional advertising media the "asymmetry of power" is impossible to correct.
- By empowering small businesses with knowledge and tools we are promoting local development and proximity consumption, minimizing carbon footprint generated by big industries and transportation of products.
- StrateDo seeks to educate and inculcate the culture of "Do It Yourself" on technology and digital issues that are often distant to certain segments of small businesses, showing them that they are perfectly able to compete with bigger companies with their self-executed marketing campaigns.
- StrateDo will have an indirect positive impact in woman and youngsters employment quality. Understanding that Internet is the key for SMBs that want to improve their productivity. If we take into account that small companies generate employment for a huge number of women and youngsters and pay much less than their big competitors, an



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improvement in SMB's productivity may be considered a path to economic development.

### **Business model**

As StrateDo is a free-use tool, the business model will consist on an internal advertising system governed under the modality known as "Affiliate Program".

When generating the strategy, StrateDo gets a lot of data that will be then used to effectively target ads from different affiliate companies. Having a very precise level of segmentation, advertising is relevant and non-invasive to the user. The advertising system does not promote consumerism, but will only display products and services that complement StrateDo and that are designed to improve the productivity of the company (courses, software, etc). This ads will be only displayed inside the platform. StrateDo will generate revenue through effective conversions. Thus, a commission on the price paid to the affiliate will be obtained.

It is important to note that all the profits generated by this "Affiliate Program" will be reinvested to cover the operative costs, such as servers and web services, and the marketing costs. Other costs such as the development of the platform will be covered with volunteer work, from several digital marketing professionals for the contents and from a NGO called Data for the software development.

### **Current situation**

Currently, StrateDo already has a beta version that was used by more than 1200 users from eleven different countries (Latin America, Spain and the United States). The main challenge is now to form a stable team of volunteers to keep the application updated and functional, as well as a board of volunteers to make strategic decisions about the direction of the project. Thus, it can be said that human resources are the key to StrateDo can function properly.

### **Why is StrateDo an innovative project?**

StrateDo is an innovative project because it converts an expensive and restricted service into a free, global and scalable product, accessible to anyone who wants to make from the Internet an ally in the growth of their projects. StrateDo repositions SMBs in the digital marketing industry, empowering them with the knowledge and tools that were exclusively on online marketing agencies. In this way, StrateDo generates an accumulative learning that will have a direct effect on reducing the second digital divide.

### **Why are we taking part in this competition?**

StrateDo is a realistic project that is already underway, but now faces a structural change. To ensure service availability it is essential to leave the "traditional company" structure that had so far, and sticking to a collaborative and non-profit model. In this context, the biggest challenge is to gather the human resources needed to keep StrateDo updated and functional. Anyway, it is a very achievable goal and visibility gained in this competition will be a big boost to generate a large body of volunteers. From the economic point of view, minimum resources are needed to keep the site running, such as hosting and web services. In that context, both the visibility and the money prize will be fundamental for the correct development of the project.

# Business Model Canvas - StrateDo



## Key Partners

- Organizations that work with SMBs and entrepreneurs.
- Companies that are part of the strategies that StrateDo generate (Facebook, Google, etc.).
- Advertisers for the affiliate program.
- IT companies or organizations to collaborate on software development.
- Universities and technical education institutions that could help to form the volunteer network.



## Key Activities

- Development and updating of software.
- Creation and update of contents.
- Search for volunteers.
- Sales of "Affiliate Program".
- Customer support.



## Key Resources

- Team of volunteers in software and content.
- Team of commercial and financial matters.
- Servers, online marketing and web services.



## Value propositions

- Empower SMBs with digital marketing tools and knowledge, allowing them to create and run their own online marketing strategy with just one click in a free, simple and educational modality.



## Customer Relationships

- Customer service through a messaging application on the platform.
- E-mail marketing.
- Content marketing, especially in a blog.
- Comercial sales of "Affiliate Program".



## Channels

- Web application.



## Customer Segments

- Directors of companies with fewer than nine employees of Spanish speaking countries.



## Cost Structure

- Servers and costs associated with software development.
- Taxes.



## Revenue Streams

- Commissions for the affiliate program.